# Michigan Deptartment of Treasury 496 (2-04) Auditing Procedures Report

	er P.A. 2 of 1				s kep	ort						
Local Gov	ernment Type		o [	Village	Other	Local Government EVERGRE	nent Name	NSHIP		Coun	NTCA	LM
Audit Date				Opinion 8/10/0		- Incommentation and the second	Date Accoun 9/23/05	tant Report Submi	tted to State:			
accordar	ice with the state of the state	ne S	Statem	ents of	the Govern	nmental Accou	unting Stan	and rendered dards Board ( an by the Mich	GASB) and t	he <i>Uniform</i>	Repo	ents prepared ir rting Format fo
		lied	with th	ne <i>Bullet</i>	in for the A	udits of Local I	Units of Gov	ernment in Mic	chigan as rovis	od		
						d to practice in		ciriment iir iviic	angan as levis	eu.		
We furth		e fol	lowing	ı. "Yes" ı				e financial state	ements, includi	ng the note	s, or in	the report of
You must	check the	арр	licable	box for	each item l	pelow.						
Yes	✓ No	1.	Certa	in comp	onent units	/funds/agencie	es of the loc	al unit are excl	uded from the	financial s	tateme	nts.
Yes	✓ No	2.	There	e are ac of 1980).	cumulated	deficits in one	e or more o	f this unit's un	reserved fund	balances/r	etained	I earnings (P.A.
Yes	✓ No	3.		e are in	stances of	non-compliand	ice with the	Uniform Acco	ounting and B	udgeting A	ot (P.A.	. 2 of 1968, as
Yes	Yes Vo 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.											
Yes	Yes Volume No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).											
Yes	<b>√</b> No	6.	The le	ocal unit	t has been o	delinquent in d	distributing ta	ax revenues that	at were collect	ed for anoth	ner tax	ing unit.
Yes	The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned  Yes No 7. pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).											
Yes	Yes No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).					A. 266 of 1995						
Yes	✓ No	9.	The lo	ocal unit	t has not ad	opted an inves	stment polic	y as required b	y P.A. 196 of	1997 (MCL	129.95	·).
We have	enclosed	l the	follov	ving:					Enclosed	To B Forwar		Not Required
The lette	r of comm	ents	and re	ecomme	ndations.				<b>√</b>	1 3 1 1 1		rioquilou
Reports	Reports on individual federal financial assistance programs (program audits).											
Single A	Single Audit Reports (ASLGU).				✓							
BERTI	ublic Account	•		•	PAS							
Street Add	ress RROW L	ANE						City SAGINAW		State MI	ZIP 486	38
Accountan	Accountant Signature Henrith a-Bathriuma Date 9-23-05				neth .	Q-2304	Mai	umo		Date 9		

# **EVERGREEN TOWNSHIP**

Montcalm County, Michigan

# FINANCIAL STATEMENTS

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(989) 791-1555 Fax (989) 791-1992

#### INDEPENDENT AUDITORS' REPORT

To the Township Board Evergreen Township, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Evergreen Township as of and for the year ended March 31, 2005, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Evergreen Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Evergreen Township, as of March 31, 2005, and the respective changes in financial position, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The budgetary comparison schedule, as identified in the table of contents, is not a required part of the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Evergreen Township's basic financial statements. The accompanying other supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying financial statements do not present a management's discussion and analysis, which would be an analysis of the financial performance for the year. The Governmental Accounting Standards Board has determined that this analysis is necessary to supplement, although not required to be part of, the basic financial statements.

As described in Note 10, the Township has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and related statements, as of April 1, 2004.

Berthiaume & Co.



# STATEMENT OF NET ASSETS

	Governmental <u>Activities</u>		
Assets:			
Cash and cash equivalents	\$ 216,133		
Receivables	67,359		
Capital assets:			
Nondepreciable capital assets	14,001		
Depreciable capital assets, net	49,591		
Total assets	347,084		
Liabilities:			
Accounts payable and accrued expenses	3,361		
Total liabilities	3,361		
Net assets:			
Invested in capital assets	63,592		
Unrestricted	280,131		
Total net assets	\$ 343,723		

# STATEMENT OF ACTIVITIES

			Charges for Grants a		ues	d Changes in		
	Ex	xpenses			Operating Grants and Contributions			
Functions/Programs								
Governmental activities:								
General government	\$	88,385	\$	2,950	\$	5,048	\$	(80,387)
Public safety		27,839		-		-		(27,839)
Public works		97,731		29,150		3,545		(65,036)
Health and welfare		2,500		-		-		(2,500)
Total governmental activities		216,455		32,100		8,593		(175,762)
	General revenues: Taxes: Property taxes, levied for general purpose Grants and contributions not restricted to					58,128		
			cific programs				164,113	
			investment earnings			1,028		
	Misc	Miscellaneous			2,322			
	To	tal general	reven	ues				225,591
	Ch	ange in ne	t assets	S				49,829
	Net assets, beginning of year				293,894			
	Net a	ssets, end	of yea	r			\$	343,723

# GOVERNMENTAL FUNDS

# **BALANCE SHEET**

	General <u>Fund</u>
Assets:	
Cash and cash equivalents	\$ 216,133
Taxes receivable	8,818
Accounts receivable	33,219
Due from other governmental units	25,322
Total assets	\$ 283,492
Liabilities and Fund Balance:	
Liabilities:	
Accounts payable and accrued expenses	\$ 3,361
Total liabilities	3,361
Fund balance:	
Unreserved:	
General fund	280,131
Total fund balance	280,131
Total liabilities and fund balance	\$ 283,492

# RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO NET ASSETS OF GOVERNMENTAL ACTIVITIES

Total fund balances for governmental funds	\$ 280,131
Total net assets reported for governmental activities in the statement of of net assets is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
Governmental capital assets 90,875	
Less accumulated depreciation (27,283)	 63,592
Net assets of governmental activities	\$ 343,723

# GOVERNMENTAL FUNDS

# STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

	General Fund
Revenues:	
Property taxes	\$ 58,128
State grants	172,706
Charges for services	29,150
Interest and rents	1,028
Other revenue	5,272
Total revenues	266,284
Expenditures:	
Current:	
General government	79,607
Public safety	27,150
Public works	95,047
Health and welfare	2,500
Other	9,459
Capital outlay	4,499
Total expenditures	218,262
Excess (deficiency) of revenues over expenditures	48,022
Fund balance, beginning of year	232,109
Fund balance, end of year	\$ 280,131

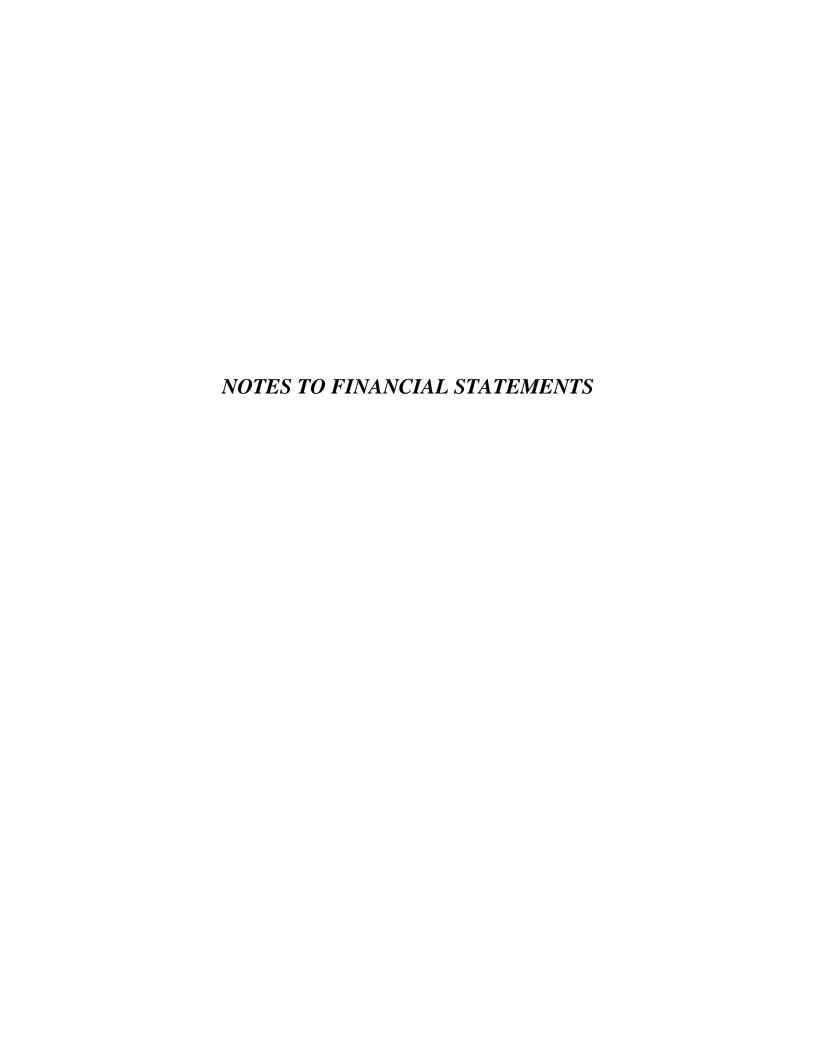
# RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Net change in fund balances - total governmental funds	\$	48,022
Total change in net assets reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense.		
Capital outlay 4,4	99	
Less depreciation expense (2,6)	92)	1,807
Change in net assets of governmental activities	\$	49,829

# FIDUCIARY FUND

# STATEMENT OF NET ASSETS

	Agency Fund
Assets:	
Cash and cash equivalents	\$ 33,219
Total assets	33,219
Liabilities:	
Accounts payable and accrued expenses	33,219
Total liabilities	33,219
Net Assets:	
Unrestricted	
Total net assets	<u>\$ -</u>



# NOTES TO FINANCIAL STATEMENTS

March 31, 2005

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Evergreen Township conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the significant accounting policies:

# **Reporting Entity:**

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the Township and its component units, if any. In evaluating the Township as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the Township may be financially accountable and, as such, should be included within the Township's financial statements. The Township (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial burden on the Township. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. There are no component units included in the Township's reporting entity.

**Joint Venture** – The Township is a member of an intergovernmental agreement to operate a joint fire association with the City of Stanton, Douglas Township, and Sidney Township. The Township appoints one member to the joint association's governing board. The operating and capital budgets are funded with equal contributions from each government.

#### Measurement Focus, Basis of Accounting, and Financial Statement Presentation:

The accounts of the Township are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

#### Government-wide Financial Statements:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

March 31, 2005

The statement of net assets and the statement of activities report information on all of the nonfiduciary activities of the primary government. These statements distinguish between activities that are governmental and those that are business-type activities. There are no business-type activities.

The statement of net assets presents governmental activities on a consolidated basis, using the economic resources measurement focus and accrual basis of accounting. This method recognizes all long-term assets and receivables as well as long-term debt and o1bligations. The Township's net assets are reported in three parts (1) invested in capital assets, and (2) unrestricted net assts. The Township first utilizes restricted resources to finance qualifying activities.

The statement of activities reports both the gross and net cost of each of the Township's functions. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The net costs (by function) are normally covered by general revenue (property taxes, state sources and federal sources, interest income, etc.). The Township does not allocate indirect costs. In creating the government-wide financial statements the Township has eliminated interfund transactions, if any.

The government-wide focus is on the sustainability of the Township as an entity and the change in the Township's net assets resulting from current year activities.

#### Fund Financial Statements:

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. All other revenue items are considered to be measurable and available only when cash is received by the government.

March 31, 2005

Fiduciary funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The fiduciary funds are accounted for on a spending or economic resources measurement focus and the accrual basis of accounting.

The Township reports the following major governmental fund:

The **General Fund** is the primary operating fund of the Township. It is used to account for all financial resources, except for those required to be accounted for in another fund.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do no conflict with or contradict guidance of the Governmental Accounting Standards Board.

#### **Assets, Liabilities and Equity:**

<u>Deposits and Investments</u> – Cash and cash equivalents include cash on hand, demand deposits, certificates of deposit and short term investments with a maturity of three months or less when acquired. Investments, if any, are stated at fair value.

<u>Inventories and Prepaid Items</u> – Inventories of governmental funds are recorded as expenditures when purchased rather than when consumed. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

<u>Capital Assets</u> – Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value at the date of donation. The Township defines capital assets as assets with an initial individual cost in excess of \$500. Costs of normal repair and maintenance that do not add to the value or materially extend asset lives are not capitalized. Public domain (infrastructure) assets (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the government) are capitalized if acquired after April 1, 2004. Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	7-50 years
Furniture and equipment	5-20 years
Site improvements	20 years

<u>Compensated Absences</u> – It is the Township's policy to not permit employees to accumulate earned but unused sick and vacation days. Therefore, no liability is recorded in the government-wide financial statements.

 $\underline{\textit{Long-term Obligations}}$  – In the government-wide financial statements, long-term debt, if any, is reported as liabilities in the governmental activities.

<u>Fund Equity</u> – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

March 31, 2005

#### **Use of Estimates:**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **Property Taxes:**

Properties are assessed as of December 1. The related property taxes are billed on the following July 1 for the summer tax levy and September 1 for the winter tax levy.

The 2004 taxable valuation of the Township totaled \$50,971,329, on which ad valorem taxes levied consisted of .7904 mills for the Township's operating purposes.

The delinquent real property taxes of the Township are purchased by Montcalm County. The delinquent real property taxes are received soon enough after year end to be recorded as revenue in the current year.

# NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

#### **Budgetary Information:**

The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

- 1. The Township Supervisor submits a proposed operating budget by fund for each year to the Township Board. The operating budget includes proposed expenditures and the means of financing them.
- 2. A public hearing is conducted to obtain taxpayer comments.
- 3. Prior to April 1, the budget is legally enacted by adoption of the Township Board.
- 4. Any revision that alters the total expenditures of any fund must be approved by the Township.
- 5. Formal budgetary integration is employed as a management control device during the year for all funds.
- 6. Governmental fund budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. A comparison of actual results of operations to the General Fund budget as originally adopted and amended by the Township Board is included in the required supplemental information.
- 7. All annual appropriations lapse at fiscal year end.

#### **Excess of Expenditures over Appropriations in Budgeted Funds:**

During the year, the Township did not incur expenditures that were in excess of the amounts budgeted.

March 31, 2005

#### **NOTE 3: DEPOSITS AND INVESTMENTS**

The Township's deposits at March 31, 2005 are included in the statement of net assets under the following categories:

Governmental

**Activities** 

216,133

Cash and cash equivalents \$

**Deposits:** 

The breakdown in deposits for the Township is as follows:

Governmental

**Activities** 

Bank deposits (checking accounts, savings accounts, and certificates of deposit)

\$ 216,133

The deposits of the governmental activities were reflected in the accounts of financial institutions (without recognition of checks written but not yet cleared or of deposits in transit) at \$176,981, of which \$113,872 is covered by federal depository insurance and the remainder was uninsured and uncollaterized. The Township believes that due to the dollar amount of cash deposits and the limits of the FDIC insurance, it is impractical to insure all bank deposits. As a result, the Township evaluates each financial institution with which it deposits Township funds and assesses the level of risk each institution; only those institutions with an acceptable estimated risk level are used as depositories.

#### **Investments:**

State statutes authorize the Township to invest surplus funds in certificates of deposit, savings accounts and deposit accounts with banks and savings and loan associations which are members of FDIC, credit unions which are insured by NCUA, bonds, bills or notes of the U.S., commercial paper rated within the 3 highest classifications established, U.S. or federal agency obligation repurchase agreements, bankers' acceptances and mutual funds composed entirely of the aforementioned investments that are legal for direct investment by a Township.

Investments are categorized into these three categories of credit risk:

Category 1 – Insured or registered, or securities held by the Township or its agent in the Township's name;

Category 2 – Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Township's name; and

**Category 3** – Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the Township's name.

At year end, the Township had no investments.

March 31, 2005

#### **NOTE 4: CAPITAL ASSETS**

Governmental activities capital asset activity for the year ended March 31, 2005 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental activities:				
Nondepreciable capital assets:				
Land	\$ 14,001	\$ -	\$ -	\$ 14,001
Depreciable capital assets:				
Buildings and improvements	50,862	2,418	-	53,280
Furniture and equipment	7,200	2,081	-	9,281
Site improvements	14,313			14,313
Total nondepreciable capital assets	72,375	4,499		76,874
Accumulated depreciation	(24,591)	(2,692)		(27,283)
Depreciable capital assets, net	47,784	1,807		49,591
Governmental activities, capital assets, net	\$ 61,785	\$ 1,807	\$ -	\$ 63,592

Depreciation expense was charged to functions as follows:

#### Governmental activities:

General government \$ 2,692

# **NOTE 5: DEFERRED REVENUE**

Governmental funds report deferred revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At year end, the Township had no deferred revenue.

# **NOTE 6: LONG-TERM LIABILITIES**

The Township may issue bonds, notes, and other contractual commitments to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. At year end, the Township had no long-term liabilities.

March 31, 2005

# NOTE 7: DISAGGREGATED RECEIVABLE AND PAYABLE BALANCES

Receivables and payables as of year end for the Township's governmental activities in the aggregate are as follows:

	Governmental Activities	
Receivables:		
Taxes	\$ 8,818	
Accounts	33,219	
Intergovernmental	25,322	
Total receivables	\$ 67,359	
Accounts payable and accrued expenses:		
Accounts	\$ 3,361	
Total accounts payable and accrued expenses	\$ 3,361	

# **NOTE 8: RISK MANAGEMENT**

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation), and natural disasters. The Township has purchased commercial insurance to cover these risks. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in the past three fiscal years.

# NOTE 9: EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS

#### **Pension Plan:**

The Township offers no pension plan.

#### **Post Employment Benefits:**

The Township offers no post employment benefits.

# **Deferred Compensation Plan:**

The Township offers no deferred compensation plan.

March 31, 2005

# NOTE 10: PRIOR PERIOD ADJUSTMENTS

# **Accounting Change:**

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements – and Management Discussion and Analysis – for State and Local Governments* (Statement). The Township is required to implement the new requirements for the year ended March 31, 2005. The more significant of the changes to the financial statements as a result of the Statement are as follows:

For the first time, the financial statements will include:

- Government-wide financial statements prepared using full accrual accounting for all of the Township's activities.
- Fund financial statements, consisting of a series of statements that focus on a government's major governmental fund.

As a result of implementing the Statement, the following restatements were made to beginning fund balance and net asset accounts:

#### **Government-wide Financial Statements:**

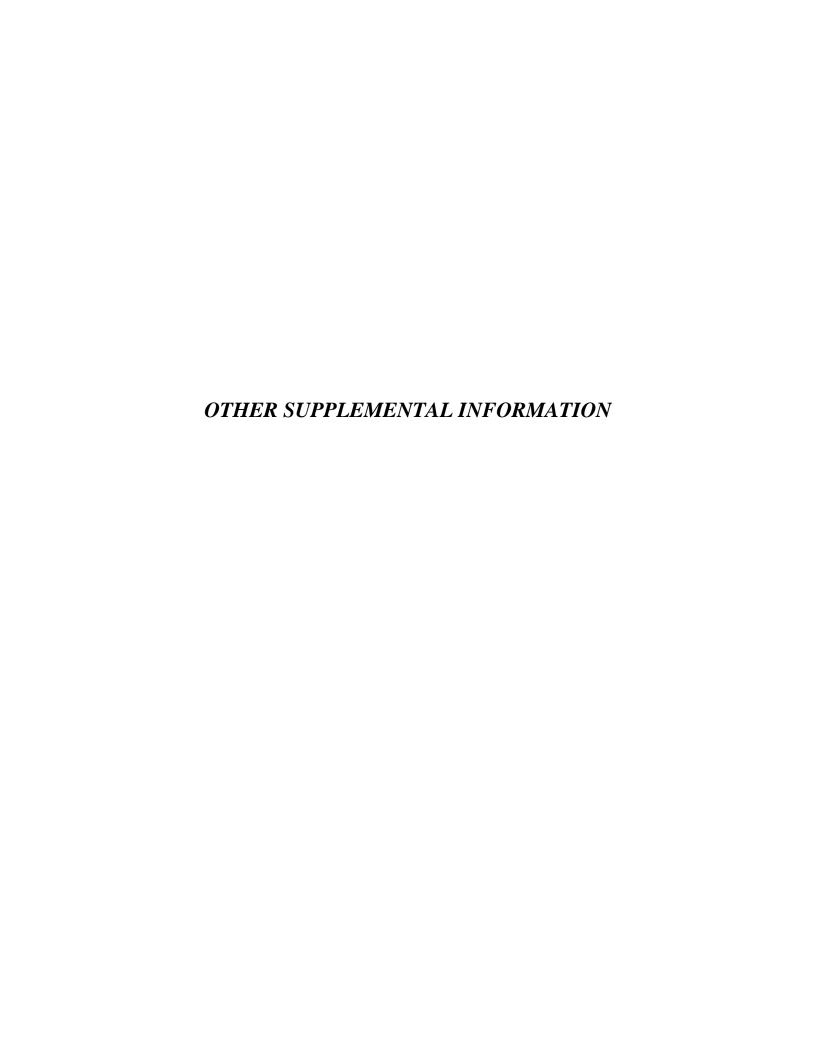
Beginning net assets for governmental activities was determined as follows:

Fund balance of general fund as of 3/31/04	\$ 232,109
Add: Governmental capital assets, including general fixed assets as of 3/31/04	86,376
Deduct: Accumulated depreciation as of 3/31/04 on above governmental capital assets	(24,591)
Governmental net assets, restated, as of 3/31/04	\$ 293,894



# **BUDGETARY COMPARISON SCHEDULE**

								Actual
	Budgeted Amounts				Over (Under)		er (Under)	
	Original Final			Actual	Final Budget			
Revenues:								
Property taxes	\$	42,100	\$	42,100	\$	58,128	\$	16,028
State grants		150,000		150,000		172,706		22,706
Charges for services		28,000		28,000		29,150		1,150
Interest and rents		150		150		1,028		878
Other revenue		9,550		9,550		5,272	_	(4,278)
Total revenues		229,800		229,800		266,284		36,484
Expenditures:								
Current:								
General government		116,768		121,768		79,607		(42,161)
Public safety		33,150		33,150		27,150		(6,000)
Public works		207,000		202,000		95,047		(106,953)
Health and welfare		2,500		2,500		2,500		-
Other		10,000		10,000		9,459		(541)
Capital outlay	-	4,499	_	4,499	_	4,499		
Total expenditures		373,917		373,917		218,262		(155,655)
Excess (deficiency) of revenues over expenditures		(144,117)		(144,117)		48,022		192,139
Fund balance, beginning of year		232,109		232,109		232,109		
Fund balance, end of year	\$	87,992	\$	87,992	\$	280,131	\$	192,139



# **DETAILED SCHEDULE OF REVENUES**

Current Taxes:	
Property taxes	\$ 40,537
Trailer tax	171
Penalties and interest on taxes	2,181
Administration fees	15,239
	58,128
State Grants:	
Summer tax reimbursement	5,048
State revenue sharing - sales tax	164,113
Metro Act - right-of-way	3,545
	172,706
Charges for services:	
Refuse collection fees	29,150
	29,150
Interest and rents:	
Interest	1,028
	1,028
Other Revenue:	
Cemetery lots	2,950
Refunds and rebates	2,305
Other	17
	5,272
m . 1	Φ 266.204
Total revenues	\$ 266,284

# **DETAILED SCHEDULE OF EXPENDITURES**

General Government: Board:		
Personnel	\$	1,725
Supplies	Ψ	3,474
Dues and memberships		1,148
Printing and publications		309
Other		92
		6,748
Supervisor:		
Personnel		6,000
		6,000
Clerk:	-	
Personnel		6,999
Supplies		602
Other		141
		7,742
Audit:		_
Contracted services		140
		140
Board of Review:		
Personnel		600
Printing and publications		202
		802
Treasurer:		
Personnel		11,212
Supplies		537
Contracted services		3,446
Telephone		925
		16,120
Assessor:		
Personnel		12,859
		12,859
Elections:		
Personnel		3,268
Supplies		524
Printing and publications		161
		3,953

# **DETAILED SCHEDULE OF EXPENDITURES (CONTINUED)**

General Government, continued:	
Building and Grounds:	0.15
Supplies	\$ 815
Utilities Repairs and maintenance	3,443
Repairs and maintenance	3,016
	7,274
Cemetery:	14.075
Personnel	14,975 2,520
Supplies Utilities	374
Repairs and maintenance	100
repuis and mamenance	17,969
	17,505
Total general government	79,607
Public Safety:	
Fire:	
Personnel	450
Contracted services	24,500
Repairs and maintenance	2,200
	27,150
Total public safety	27,150
Public Works:	
Drains - Public Benefit:	
Contracted services	1,220
	1,220
Highways, Streets:	
Contracted services	57,557
	57,557
Street Lights:	
Utilities Utilities	130
o unive	130
Refuse Collection/Disposal:	
Personnel	5,199
Contracted services	30,766
Repairs and maintenance	175
1	36,140
Total public works	95,047

# **DETAILED SCHEDULE OF EXPENDITURES (CONTINUED)**

Health and Welfare:	
Agency on Aging:	
Other	\$ 2,500
	2,500
Total health and welfare	2,500
Other:	
Insurance and bonds	4,953
Employer's share of FICA	4,506
	9,459
Total other	9,459
Capital Outlay:	
General government	4,499
	4,499
Total capital outlay	4,499
Total expenditures	\$ 218,262

# FIDUCIARY FUND – AGENCY FUND

# COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

	Beginning Balance	Additions	<b>Deductions</b>	Ending Balance	
Tax Fund					
Assets: Cash and cash equivalents	\$ 25,99	0 \$ 1,399,580	\$ 1,392,351	\$ 33,219	
Liabilities: Accounts payable and accrued expenses Due to other governmental units	\$ 25,99 	0 \$ 62,661 	\$ 55,432 1,336,919	\$ 33,219	
Total liabilities	\$ 25,99	0 \$ 1,399,580	\$ 1,392,351	\$ 33,219	



60 Harrow Lane Saginaw, Michigan 48603

(989) 791-1555 Fax (989) 791-1992

To the Members of the Township Board Evergreen Township, Michigan

We have completed our audit of the financial statements of Evergreen Township for the year ended March 31, 2005, and have issued our report thereon dated August 10, 2005. As part of our examination, we made a study and evaluation of the Township's system of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. The purpose of our study and evaluation was to determine the nature, timing, and extent of the auditing procedures necessary for expressing an opinion on the Township's financial statements. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole.

The Township's administration is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments by the administration are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide the administration with reasonable, but not absolute assurance that assets are safeguarded against unauthorized use or disposition and that transactions are executed in accordance with the administration's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may, nevertheless, occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or the degree of compliance with the procedures may deteriorate.

Our study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal accounting control of Evergreen Township taken as a whole. Our study and evaluation disclosed no conditions that we believe to be material weaknesses.

This report is intended solely for the use of the Township management and should not be used for any other purpose.

We wish to extend our appreciation to you and your staff for the assistance accorded us during our examination.

Sincerely,

Berthiaume & Company Certified Public Accountants

Berthiaume & Co.

August 10, 2005